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### Islam and Money

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Why Do You Say Murbaha in Islamic Banks is Back Door Riba?

This part is taken from lecture:

The Prohibition of Riba in The Qur'an & Sunnah, Malaysia 2011.

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"Prophet (ﷺ) will sometimes go to the shops and buy goods. But (sometimes)

So a credit transaction; to buy now and pay later is Halal. It is Sunnah.

However because the shop keeper had to wait for his money, he was not allowed to raise the price. If yes, Money cannot grow because of time.

So a credit transaction is permissible; provided that the credit price and the cash price are the same. Then, If the credit price is higher than the cash price; then the difference between the prices would be Riba.

What Islamic Banks around the world are doing: if you want buy a house and you do not have the money. But (because we have to wait for our money for 20 years) our credit price is now twice the cash price. The difference between the credit price and the cash price becomes Riba. But the Islamic Bank say, No.

Murabaha is a transaction in which something is sold at a profit and both the buyer and the seller know. But this is not Murabaha, no. If it was a cash transaction, yes. But this is a credit transaction. And because

I call it Riba through the back door. And if you want to differ with me, no problem.

If people want to use Islamic Banks; sure they can do that. That's your choice.

But if you say I am wrong, Transcribed and posted by brother Deen to band me, and you want come after me